Popularising SDF in sugar industry

*52. SHRIMATI JAMANA DEVI BARUPAL:
DR. T. SUBBARAMI REDDY:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is poor response from sugar industry to Sugar Development Fund for modernization or expansion of plants;

(b) if so, the main reasons for the same;

(c) whether Government have urged sugar industry to improve quality of sugar to make it internationally acceptable;

(d) whether Government are ready to ease the conditions so that more and more industrialists are interested in utilizing this fund; and

(e) the total amount, so far, provided to sugar industry from this fund?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) No, Sir.

(b) Do not arise.

(c) and (d) The loans from the Sugar Development Fund are allowed to eligible Sugar Mills for, *interalia*, expansion of capacity, modernization/ rehabilitation of plant and machinery as well as technological upgradation which may include improvement of quality of sugar. In order to encourage sugar mills to avail loans from the Sugar Development Fund, the rate of interest on loans from this Fund have been reduced to two percent below the Bank Rate with effect from 21.10.2004. Besides, the guidelines have also been revised to make sugar mills eligible for loans under this Fund for expansion of capacity upto 10,000 TCD. Sugar Mills have also been made eligible for obtaining loan for production of ethanol and production of power from bagasse.

(e) Total amount disbursed from the SDF to the Sugar Mills as loans till 30.9.2005 is Rs. 1979.69 Crore.